

**MANSURA VOLUNTEER
FIRE DEPARTMENT, INC.**

Financial Report

For the Year Ended June 30, 2011

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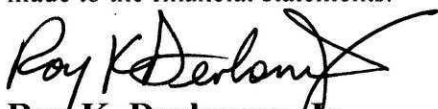
ACCOUNTANT'S REPORT

To the Board of Directors
Mansura Volunteer Fire Department, Inc.
Mansura, Louisiana

I have compiled the accompanying balance sheet of the Mansura Volunteer Fire Department, Inc. (a nonprofit organization), as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.


Roy K. Derbonne, Jr.
Certified Public Accountant

Alexandria, Louisiana
November 15, 2011

FINANCIAL STATEMENTS

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.

Mansura, Louisiana

STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

JUNE 30, 2011

| | <u>TOTAL</u> |
|-----------------------------------------|--------------------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash and Cash Equivalents | \$ 69,615 |
| Accounts Receivable | 41,202 |
| Total Current Assets | <u>110,817</u> |
| FIXED ASSETS | |
| Building and Improvements | 139,075 |
| Equipment | 598,246 |
| Trucks | 945,643 |
| Total Fixed Assets | <u>1,682,964</u> |
| Less: Accumulated Depreciation | <u>(1,007,668)</u> |
| Net Fixed Assets | <u>675,296</u> |
| TOTAL ASSETS | <u><u>\$ 786,113</u></u> |
| LIABILITIES AND NET ASSETS | |
| CURRENT LIABILITIES | |
| Current maturities of Long-Term Debt | \$ 19,326 |
| Accounts Payable | 2,508 |
| Accrued Interest Payable | 16,471 |
| Total Current Liabilities | <u>38,305</u> |
| LONG-TERM LIABILITIES | |
| Notes Payable (Net of Current Portion) | <u>326,102</u> |
| Total Liabilities | <u>364,407</u> |
| NET ASSETS | |
| Unrestricted Net Assets - | |
| Operations | 108,309 |
| Fixed Assets | 313,397 |
| Total Unrestricted Net Assets | <u>421,706</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 786,113</u></u> |

See Accountants' Report.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

STATEMENT OF ACTIVITIES
(UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2011

REVENUE

| | |
|------------------------------|----------------|
| Revenue | |
| Ad Valorem Taxes | 85,029 |
| Intergovernmental Revenue | |
| State | 12,270 |
| Sales Tax Revenue | 37,700 |
| Avoyelles Parish Police Jury | 1,080 |
| Gain on Sale of Vehicle | 3,763 |
| Interest | 164 |
| Miscellaneous | 897 |
| Total Revenue | <u>140,903</u> |

EXPENSES

| | |
|------------------------|----------------|
| Depreciation | 115,730 |
| Training | 2,050 |
| Interest | 23,237 |
| Insurance | 16,103 |
| Office | 1,213 |
| Repairs | 21,624 |
| Supplies | 7,621 |
| Telephone | 1,607 |
| Legal and Professional | 960 |
| Meeting Expense | 4,509 |
| Utilities | 4,167 |
| Uniforms | 424 |
| Fireman's Per Diem | 5,275 |
| Conference Expense | 1,268 |
| Fuel | 3,047 |
| Equipment Testing | 5,500 |
| Other | 3,537 |
| Fund Raising | 176 |
| Total Expenses | <u>218,048</u> |

CHANGE IN NET ASSETS (77,145)

NET ASSETS, BEGINNING OF YEAR 498,851

NET ASSETS, END OF YEAR \$ 421,706

See Accountants' Report.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2011

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:

| | |
|------------------------------------------------------------------------------------------------|---------------|
| Change in Net Assets | \$ (77,145) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | |
| Depreciation | 115,730 |
| Gain on Sale of Vehicle | (3,763) |
| Increase in Accounts Receivable | (15,786) |
| Decrease in Accounts Payable | (3,613) |
| Total Adjustments | <u>92,568</u> |

| | |
|-------------------------------------------|--------|
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 15,423 |
|-------------------------------------------|--------|

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---------------------------------------|----------------|
| Purchase of Fire Truck | (5,250) |
| Proceeds from Sale of Vehicle | 5,000 |
| Purchase of Equipment | (4,284) |
| NET CASH USED BY INVESTING ACTIVITIES | <u>(4,534)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|---------------------------------------|-----------------|
| Increase in Accrued Interest Payable | 1,439 |
| Payment of Principal on Notes Payable | (15,205) |
| NET CASH USED BY FINANCING ACTIVITIES | <u>(13,766)</u> |

| | |
|-------------------------------------------|---------|
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (2,877) |
|-------------------------------------------|---------|

| | |
|----------------------------------------------|---------------|
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>72,492</u> |
|----------------------------------------------|---------------|

| | |
|----------------------------------------|------------------|
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 69,615</u> |
|----------------------------------------|------------------|

See Accountants' Report

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Fire Department

The Mansura Volunteer Fire Department, Inc. (Fire Department) was incorporated on September 12, 1988 as a nonprofit corporation as defined in Louisiana Revised Statutes of R. S. 1950 Title 12, Chapter 2, as amended. The Fire Department operates under a Board of Directors consisting of a president, vice-president, and secretary-treasurer. Board members are elected on an annual basis. The members of the Mansura Volunteer Fire Department vote on all matters brought before the Board. The Fire Department serves approximately 1,944 structures and meetings are held monthly. The following is a summary of certain significant accounting policies.

A. Financial Statement Presentation:

The Fire Department adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Fire Department is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

The Fire Department also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made" in accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, the Fire Department has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1st and are due and payable on or before December 31. All unpaid taxes become delinquent January 2 of the following year. The taxes are assessed by the Avoyelles Parish Assessor's Office and collected by the Avoyelles Parish Sheriff's Office. The taxes are then remitted to the Avoyelles Parish Police Jury on behalf of Fire Protection District No. 2. The Fire Department is one of 14 members in this District. After deducting a fee of \$40,000 to defray the expenses of the Board of Commissioners of the Fire Protection District, each member is guaranteed a base amount of \$25,000. Any remaining funds are distributed to the members on a basis of structures served.

E. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

F. Fixed Assets

Fixed assets acquired by the Fire Department are considered owned by it.

The Fire Department follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

| | |
|---------------------------|---------------|
| Building and improvements | 10 - 40 years |
| Furniture and equipment | 5 - 25 years |
| Vehicles | 5 - 20 years |

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

(2) Deposits and Investments

Deposits

At year-end, the carrying amount of the Fire Department's deposits was \$49,615 and the bank balance was \$71,553. Of the bank balance, \$71,553 was covered by federal depository insurance. Of this amount, \$ 24,181 was tax monies, which is required to be expended on fire equipment and supplies.

Certificates of Deposit

The Fire Department had no Certificates of Deposit at June 30, 2011.

(3) Accounts Receivable

The Billed receivable balance at June 30, 2011 of \$41,202 consisted of property taxes due from the Fire Protection District No. 2 in the amount of \$40,932 and \$270 due from the Avoyelles Parish Police Jury.

(4) Fixed Assets

A summary of changes in Property, Plant and Equipment are as follows:

| | Balance 6/30/10 | Additions | Deletions | Balance 6/30/11 |
|--------------------|---------------------|-----------------|-------------------|---------------------|
| Land and buildings | \$ 139,075 | \$ - | \$ - | \$ 139,075 |
| Equipment | 593,961 | 4,285 | - | 598,246 |
| Trucks | 945,893 | 5,250 | (5,500) | 945,643 |
| | <u>\$ 1,678,929</u> | <u>\$ 9,535</u> | <u>\$ (5,500)</u> | <u>\$ 1,682,964</u> |

(5) Changes in Long-term Debt

The following is a summary of note transactions of the Fire Department for the year ended June 30, 2011:

| | |
|---------------------------|-------------------|
| Notes payable at 06/30/10 | \$ 360,632 |
| Debt issued | - |
| Principal payments | (15,204) |
| Notes payable at 6/30/10 | <u>\$ 345,428</u> |

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

Notes payable (current and long-term portions) are financed with Farmers Home Administration, Natchitoches, Louisiana.

Notes payable at June 30, 2011 consist of the following individual liabilities:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <u>Government Capital Organization</u> - \$240,000 note dated November 11, 2009 due in annual installments of \$19,998.75; interest at 5 per cent per annum; maturing in 2024; and is secured by pumper tanker. | \$194,729 |
| <u>Government Capital Organization</u> - \$172,051 note dated July 1, 2007 due in annual installments of \$16,876; interest at 5.2 per cent per annum; maturing in 2022; and is secured by pumper tanker truck | <u>150,699</u> |
| Total Notes Payable | ▀ 345,428 |
| Less Current Portion | <u>(19,326)</u> |
| Long-term Portion | <u><u>\$326,102</u></u> |

The annual requirements to amortize all notes outstanding at June 30, 2011 are as follow:

| Period Ending June 30, | Principal | Interest | Total |
|---------------------------|--------------------------|--------------------------|--------------------------|
| 2012 | \$ 19,326 | \$ 17,549 | \$ 36,875 |
| 2013 | 20,303 | 16,572 | 36,875 |
| 2014 | 21,330 | 15,545 | 36,875 |
| 2015 | 22,409 | 14,466 | 36,875 |
| 2016 | 23,541 | 13,332 | 36,873 |
| 2017-2021 | 136,822 | 47,552 | 184,374 |
| 2022-2024 | 101,697 | 11,785 | 113,482 |
| Totals | <u><u>\$ 345,428</u></u> | <u><u>\$ 136,801</u></u> | <u><u>\$ 482,229</u></u> |

MANSURA VOLUNTEER FIRE DEPARTMENT, INC.
Mansura, Louisiana

Notes to Financial Statements

(6) Retirement Commitments

Individuals who serve the Fire Department are volunteers; therefore, there is no liability for retirement benefits.

(7) Commitments and Contingencies

As of June 30, 2011 there were no lawsuits against the Fire Department.

(8) Federal and State Grants

The Fire Department did not receive any grants in the year ended June 30, 2011.

SUPPLEMENTAL INFORMATON

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ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Mansura Volunteer Fire Department, Inc.
Mansura, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Mansura Volunteer Fire Department, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Mansura Volunteer Fire Department, Inc.'s compliance with certain laws and regulations during the year ended June 30, 2011 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the year by grant and grant year.

The Fire Department did not receive any grants in the fiscal year ending June 30, 2011.

Meetings

2. Examine evidence indication that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12(the open meeting law).

Management provided me with the newspaper clippings announcing the Fire Department meetings and I observed the notice posted on the fire station building.

Comprehensive Budget

3. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants that included specific goals and measures of performance.

Mansura Volunteer Fire Department, Inc. did not receive any grants in the fiscal year ending June 30, 2011.

Prior Comments and Recommendations

4. Review prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

There were no prior year comments and/or suggestions to review.


Other Compliance Matters

5. Review expenditures paid with ad valorem tax monies to determine that expenditures were spent in accordance with the tax issue approved by voters.

I reviewed all expenditures paid with tax monies and noted all expenditures were for equipment, buildings, supplies and training in accordance with the ad valorem tax issue.

I was not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Mansura Volunteer Fire Department, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.


Roy K. Derbonne, Jr.
Certified Public Accountant

Alexandria, Louisiana
November 15, 2011